

RALEIGH-DURHAM AIRPORT AUTHORITY

MINUTES

February 19, 2004

Chairman Clancy presided. Present: Members Gibbs; Sanders; Teer; Toler; Weeks and Zaytoun. Absent: Member Winston. Also present: Airport Director Brantley; Deputy Director, Operations McElvaney; Deputy Director, Finance, Business & Administration Gill; Deputy Director, Facilities Engineering & Maintenance Pittman; Major Capital Improvements Program Director Powell; Customer Service & Organizational Director Damiano; Parking Director Scialdone; Finance Director Barritt; Administration Director Umphrey; Senior Program Manager Edmondson; Senior Program Manager Quesenberry; Communications Manager Hamlin; Communications Specialist Dunton; Business Development Officer Hairston; Information Technology Manager Schiller; Maintenance Manager Fulp; Network Administrator King; Information Technology Specialist Casanova; Properties & Insurance Officer Reynolds; Program Manager Cayton; Customer Relations Supervisor Harleston; Law Enforcement Manager Waters; Assistant Law Enforcement Manager Tippet; GIS Manager Dana; Facilities Engineering Manager Jewett; Website Administrator Hogan; Executive Assistant Mitchell and Attorney Tatum.

Guests: Mike Fussell and Satish Mohe, Parsons Group; Chris Baysden, Triangle Business Journal; and Mark Latu, AmeriSuites Hotels.

APPROVAL OF AGENDA – There were no changes to the agenda, and it was approved as submitted.

APPROVAL OF MINUTES – There were no changes to the minutes of the January 15, 2004 meeting, and they were approved as submitted.

CHAIRMAN’S COMMENTS – Chairman Clancy reported that he and Airport Director Brantley attended the AIA Triangle Section Awards Presentation on February 12, 2004 and accepted its 2003 Isosceles Award on behalf of the Airport Authority.

LAND & DEVELOPMENT COMMITTEE REPORT – Member Teer reported the Committee met on February 19, 2004 and discussed the following items:

1. *Consideration of a staff recommendation on a firm to provide landscape architecture and other professional services for RDU #070316, Terminal Area Landscape Improvements, a subproject of RDU #070319, Parking Garage 4 & Airline Cargo & Warehouse Buildings.* Senior Program Manager Quesenberry reported that proposals were received on January 16, 2004 for landscape architecture services in connection with the Terminal Area Landscape Improvements project. The Request for Proposals for these services was made available on-line at www.rdu.com/rdubusiness beginning on December 23, 2003. Additionally, the Request for Proposals was mailed to 65 firms listed in an Authority database as being interested in providing these services. Six proposals were received. All of the proposals included a prime firm with other firms acting as subconsultants to the prime firm. Authority staff reviewed the proposals and selected the following firms for further consideration: HadenStanziale; HagerSmith Design; Jerry Turner & Associates and Lappas + Havener. Staff interviewed these firms on February 3, 2004. Based on review of the proposals, including responsiveness to the stated requirements,

qualifications and experience of the proposed project manager and other key personnel, qualifications and experience of proposed subconsultants, previous experience on similar projects, perception of and approach to the project, the results of interviews, and the results of discussions with references, staff ranked HadenStanziale first, Lappas + Havener second and HagerSmith Design third. The Committee recommended authorizing staff to commence contract negotiations with HadenStanziale to provide services for the project.

Member Teer made a motion, seconded by Member Weeks, to approve the Committee's recommendation that staff be authorized to commence negotiations with HadenStanziale to provide Landscape Architecture Services for Terminal Area Landscape Improvements, RDU # 070316. Adopted.

2. Consideration of bids received November 25, 2003 for Glycol Tank Addition, a subproject of Bulk Fuel Farm Repairs, Soil Contamination Cleanup & Glycol Tank Addition, RDU #080469. Deputy Director, Facilities Engineering & Maintenance Pittman reported that bids for an additional glycol tank were received on November 25, 2003. The existing glycol storage facilities, located at the bulk fuel farm, include two 20,000-gallon tanks that are used to store Type I glycol. Currently, each airline, as desired, maintains a small tank for Type IV glycol storage. The project includes installation of a common use, 20,000-gallon storage tank for Type IV glycol and all associated piping, pumps, controls and a new pumping island that will replace all individual airline tanks. The two existing glycol tanks will receive gauges that will be connected to a new inventory control system to be installed in the project. Staff received and opened five bids on November 25, 2003. The low bidder, Integrated Industrial Services (InServ), submitted an unusually low bid of \$624,580 that included zero DBE participation and no information regarding a good faith effort. On December 10, staff received a request from InServ to be allowed to withdraw its bid without loss of bid bond. As a result of the low bidder requesting to be released from the bidding process, Staff reviewed the submission of the second low bidder in order to complete verification of that bid and determine the degree of MBE good faith effort. On December 16, staff interviewed representatives of Stover Mechanical and found its bid to be sound and the company proficient in the work elements required under the contract. However, its MBE participation was poor. At the December 18, 2003 meeting, the Authority granted the low bidder's request to withdraw its bid without forfeiting its bid bond. The Authority then accepted the bid and awarded the contract to Stover Mechanical in the amount of \$763,545 subject to receipt of Stover's letter stating its intention to put forth more consideration of and effort toward meeting the stated MBE goal for this project. Stover Mechanical subsequently submitted a corrected proposed DBE participation goal of 4.4%. Staff and Attorney Tatum agreed Stover made a substantial effort toward meeting the stated MBE goal for the project. The Committee recommended the Authority consider the condition of its contract award to Stover Mechanical as having been satisfied.

Member Teer made a motion, seconded by Member Weeks, that award of the contract for the Glycol Tank Addition to Stover Mechanical in the amount of \$763,545 be confirmed. Adopted.

INFORMATION TECHNOLOGY CONSULTING AGREEMENT – Program Manager Cayton reported on the terms of a proposed Agreement with URS Corporation for information technology consulting services for RDU Project #080489, Information Technology Infrastructure and Systems, and RDU #070369, New Authority Operations Center. This is a multi-year project, the scope of which includes implementing many elements of the Information Technology Master Plan completed in December

2002. This Agreement authorizes information technology (IT) consulting services for a number of initiatives. Authorized services include design, preparation of procurement packages, and bidding/negotiation services for the subject projects, the general scope of which is to implement the active components of the Airport Operations Center (AOC) network, implement the Airport Communications Center (ACC) and Emergency Communications Center (ECC) located in the AOC, and implement a campus-wide network infrastructure that consolidates and integrates several current Airport IT infrastructure systems into a common and uniform system. Services authorized by this Agreement also include preparation of cost estimates for the IT infrastructure and systems specified in procurement packages for the AOC, ACC and ECC and the campus-wide IT network infrastructure, field investigation of the existing Airport IT infrastructure, and development of cable management standards. Services related to other phases of the projects will be authorized at the appropriate times by amendments to the Agreement. Compensation for services authorized by this Agreement will be based on unit costs against fixed ceiling amounts of \$812,467 for professional services and \$78,122 for reimbursable expenses, which are based on direct costs. Staff recommended approval of the Agreement with URS Corporation for Information Technology Infrastructure and Systems consulting services.

Member Weeks made a motion, seconded by Member Zaytoun, to approve the Agreement with URS Corporation for Information Technology Infrastructure and Systems consulting services subject to final approval by Attorney Tatum, and to delegate authority to Airport Director to negotiate any issues as necessary and to execute the Agreement in final form. Adopted.

RESOLUTION - Staff requested adoption of a resolution authorizing staff to submit applications to the Federal Aviation Administration for grants of Airport Improvement Program funds in connection with RDU Project #070379, Taxiway D Relocation and Terminal C Apron Expansion.

Member Sanders made a motion, seconded by Member Weeks, to authorize staff to submit applications to the Federal Aviation Administration for grants of Airport Improvement Program funds in connection with RDU Project #070379, Taxiway D Relocation and Terminal C Apron Expansion. Adopted.

SAS INSTITUTE LEASE AGREEMENT - Properties & Insurance Officer Reynolds reported on the proposed Facilities Site Lease Agreement between the Authority and SAS Institute, Inc. for the site on which SAS has constructed aviation facilities located at the north end of the Airport. These facilities include a large aircraft hangar and attached office structure, aircraft parking apron, vehicular parking area, apron lighting and security fencing. The facilities are located at 1120 East International Drive. The term is 20 years from the Date of Beneficial Occupancy, which was February 16, 2004. There is no option to renew or extend the Agreement. The Fixed Rent is subject to adjustment by the Authority on third anniversaries throughout the term and is not to be increased by more than an average of 3% per year. The initial Ground Fixed Rent is \$1,637.98 per month. The Variable Rent is subject to annual adjustment each April 1 and includes maintenance, repair and operation of paved aircraft taxiways and roadways, lighting and grounds. The initial Maintenance and Operations charge is \$578.16 per month. Staff requested approval of the Lease Agreement with SAS Institute, Inc.

Member Weeks made a motion, seconded by Member Toler, to approve the Lease Agreement with SAS Institute, Inc. for a Large Aircraft Hangar & Attached Office Structure, Aircraft Parking Apron, Vehicular Parking Area, Apron Lighting and Security Fencing located at 1120 East International Drive. Adopted.

AMERICAN AIRLINES LEASE AMENDMENT – Properties & Insurance Officer Reynolds reported on proposed Amendment Number 3 to the Facilities Lease and Use Agreement dated June 15, 2002 with American Airlines, Inc. This Amendment authorizes a decrease in American's monthly fixed rent of \$15,336.72. The following attachments to the Facilities Lease and Use Agreement have been revised to reflect the revisions: Schedule A, Drawings of Leased Premises; Schedule B, Description of Leased Premises; Schedule D-1, Rental Rates and Fixed Space & Equipment Rents as of February 19, 2004. Staff recommended approval of Amendment Number 3.

Member Weeks made a motion, seconded by Member Toler, to approve Amendment Number 3 to the Facilities Lease and Use Agreement dated June 15, 2002 with American Airlines, Inc. Adopted.

RATIFICATION - Chairman Clancy reported that action setting the salary of the Airport Director as of October 1, 2003 that was taken in closed session at the November 20, 2003 Authority meeting must be ratified by action taken in open session to be effective.

Member Weeks made a motion, seconded by Member Toler, to ratify the action taken in closed session at the November 20, 2003 meeting. Adopted.

MEMBERS COMMENTS/REPORT – Member Zaytoun thanked staff for the great feature article on the Triangle ICON in the January RDU Update.

GENERAL COUNSEL'S REPORT – Attorney Tatum had no comments at this time.

AIRPORT DIRECTOR'S REPORT –

- The Authority will meet twice in March. The first meeting will be held on March 15, 2004 for the purpose of reviewing the drafts of the Fiscal Year 2004-2005 Operating and Capital Improvements Budgets. The regular meeting of the Authority will be held on March 18, 2004.
- Airport Directory Brantley introduced Mike McElvaney, the new Deputy Director, Operations.
- Enplaned passengers for January 2004 totaled 268,086 versus 266,453 for January 2003 for a 0.6% increase.
- Deplaned passengers for January 2004 totaled 278,170 versus 281,352 for January 2003 for a 1.1% decrease.
- Enplaned air cargo for January 2004 totaled 7,795,999 pounds versus 7,739,157 pounds for January 2003 for a 0.7% increase.
- Deplaned air cargo for January 2004 totaled 9,796,146 pounds versus 9,793,409 pounds for January 2003 for a 0.0% increase.
- Weekday scheduled flight departures for January 2004 totaled 233 versus 203 for January 2003 for a 14.8% increase.

- Aircraft operations for January 2004 totaled 18,041 versus 18,001 for January 2003 for a 0.2% increase.
- The number of vehicles exiting the terminal area public parking lots during January 2004 totaled 137,567 versus 142,081 for January 2003 for a 3.2% decrease.
- The number of taxicab trips taken during January 2004 totaled 13,798 versus 9,709 during January 2003 for a 42.1% increase.
- Airline load factors for January were in the range of 50-72%. January and February are historically slow travel months for RDU.
- Use of the Exit Express machines during the first week of February increased to 53% of all transactions for the garage area between the terminals. On that basis, 60% of the transactions were credit card and 40% were cash. The credit card transactions generated 87% of the revenue. The Authority's goal is for 85% of the transactions to use the machines.
- Raleigh-Durham was the 6th most active airport in the southeast as of June 2003 in terms of local origin and destination traffic. From July 2002 through June 2003, RDU had 7 million origin & destination passengers. The average one-way fare was \$124.00.
- Delta Airlines' credit rating was recently downgraded and is no longer investment grade. The Authority is pursuing payment security from Delta to comply with the accounts receivable policy set forth in 2002.
- The Authority is working with the TSA on a Letter of Intent under which the TSA would provide funding in future years for baggage screening equipment that will go into the new Terminal C.

ADJOURNMENT - There being no further business, Chairman Clancy adjourned the meeting.

Respectfully submitted,

Stephen K. Zaytoun, Secretary

CORRECT ATTEST:

David T. Clancy, Chairman